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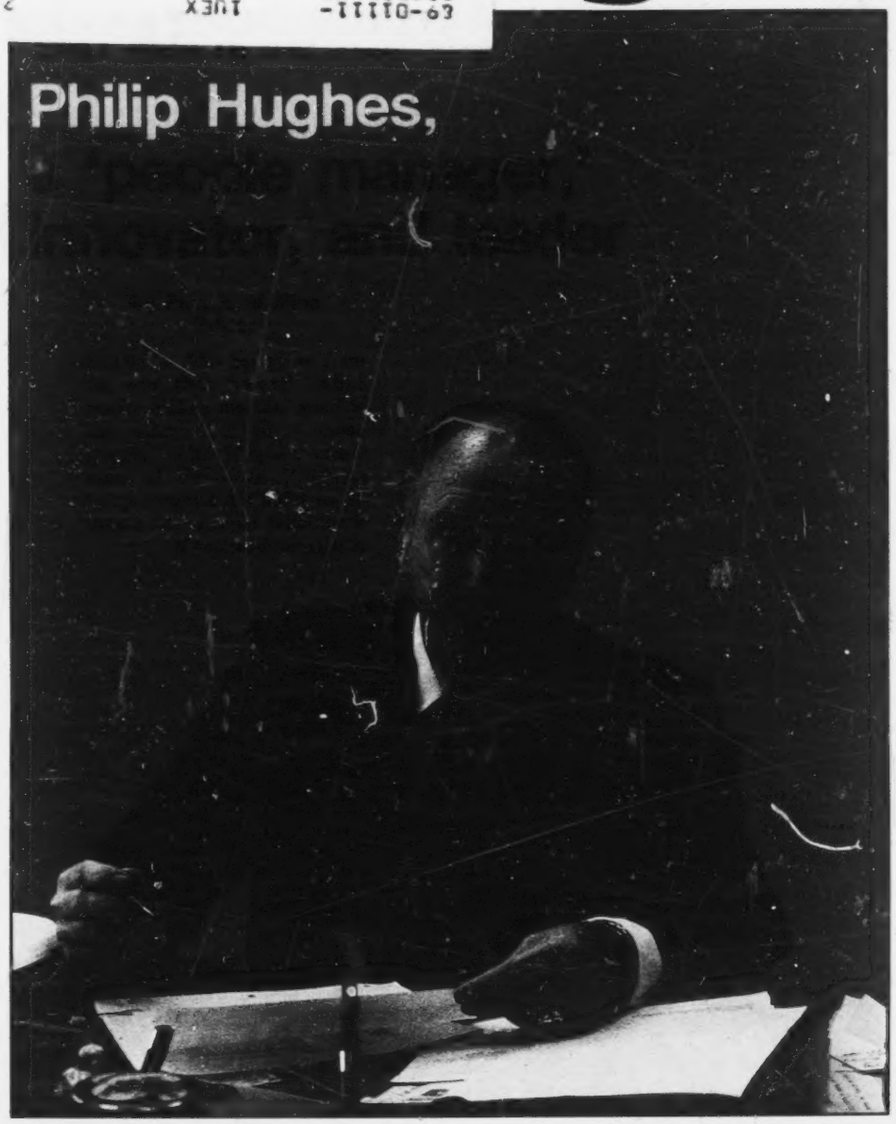

ABWA, CNW merge forming int'l assn.

WASHINGTON, DC — In an announcement made its 23rd Annual Convention in Reno, NV, the American Bottled Water Assn. located here disclosed its merger with the Council of Natural Waters, effective December 1, 1981.

Renamed the International Bottled Water Assn., the organization will operate under the direction of current ABWA executive vice president William F. Deal.

In commenting on the merger, Deal stated the IBWA "will now be the spokesperson for the entire industry." He also anticipates the association taking an active role in government and the education of the consumer.

"Policy changes will in-

(Continued on page 29)

FDA should review labeling regs: NSDA

WASHINGTON, DC — As part of its planned regulatory review to determine whether burdensome rules should be revised or revoked, the Food and Drug Administration should take a close look at its

(Continued on page 10)

Priorities outlined by ATF in semiannual agenda

WASHINGTON, DC — Even if the future of the Bureau of Alcohol, Tobacco and Firearms is uncertain, it's clear that ATF or whichever Treasury division inherits its load will have its work cut out for it, based on the agency's recently published semiannual agenda which runs through March.

One of the "top priority" ATF proposals being developed is a plan to exempt beer barrels and wine containers over 18-L from ingredient labeling requirements. The agency reasons that by eliminating such information from those containers which are rarely bought by consumers, the government and industry can reduce their paperwork burden by "combining two forms into one."

In response to a petition, ATF is also considering developing a "high priority" plan to allow the use of brand names with geographical significance relating to viticultural areas. A "regular priority" matter which also

(Continued on page 29)

BI Week

• Beatrice's $600 million dollar acquisition of Los Angeles Coke may just be the tip of the iceberg. A number of Wall St. analysts and soft drink insiders say that Coca-Cola may end up acquiring the entire Beatrice operation. Not as far fetched as it sounds, the complicated deal would require Beatrice to sell off its RC holdings — a foregone decision before Coke agrees to transfer the franchise. Although acquisition of the Beatrice Tropicana division might present some anti-

(Continued on page 31)

Woodruff
Man of the Century

Robert W. Woodruff, chairman emeritus of the finance committee of the board of directors of The Coca-Cola Co. has left an indelible mark on his company and on the soft drink industry.

As a reclusive executive he has avoided the public eye all of his professional life. No one — outside a few close friends and fellow executives — know the full impact of the man's abilities.

He is truly a living legend in the soft drink business. In this special issue in which *Beverage Industry* annually salutes an outstanding industry, we also wanted to acknowledge the leadership he has exhibited. He fully deserved the title, "Man of the Century".

(See page 30)

Cribari wines introduces four pack of 375 ml bottles. P. 7

Contents

Phil Hughes elected Man of the Year

Philip Hughes, president of Beverage Products Corp. has been named the 1981 **Beverage Industry** Man of the Year. For an in-depth interview with this year's winner, see **page 1.**

A-B strong through 1983

Total beer sales at Anheuser-Busch, Inc. will reach 63.5 million barrels in 1983, more than 9 million barrels over this year. A-B's sales volume for 1981 was 8.5% above last year, and a similar increase in 1982 is seen. For more details, see **page 6.**

Pabst blames costs, volume for losses

Pabst Brewing Co.'s president and CEO, William F. Smith has announced steps to be taken to control costs and increase volume. For the first nine months of 1981 Pabst had sales of $644 million on 10.7 million barrels shipped and a net loss of $2.5 million, or 30 cents a share. The changes to be made will include determining ways to adjust capacity to meet short and long term volume projections. For more details, see **page 2.**

Sunkist is optimistic despite losses

Sunkist executives anticipate their brands will take another three or four years to reach maturity, and their full market share and profit potential can be determined. Also, they expect a 3 to 4% annual increase in unit volume for all national brand-name soft drinks, especially diet brands. The soft drink business in 1982 will continue to be affected by the national economy, they say. For more details, see **page 6.**

Hackney develops new refrigeration line

Hackney Brothers has developed a new line of refrigerated trailers and bodies specifically for the beer industry. Energy-saving, thermal insulation is featured in these new units, which also have advanced construction techniques. For more details, see **page 10.**

Intense UTC promos have elusive benefits

Intense competition in Under the Crown (UTC) promotions in the carbonated soft drink industry has had a resurgence. Bottlers' reactions to these promotions range from cautious to antagonistic. For more details, see **page 13.**

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capacity than a straight route truck, and doesn't cost a penny more. It outmaneuvers a straight route truck, and gets better mileage to boot—gas *or* diesel. Last, but not least, it even eliminates the need for a spare route truck: All you need is an extra prime mover, which doubles as a utility vehicle.

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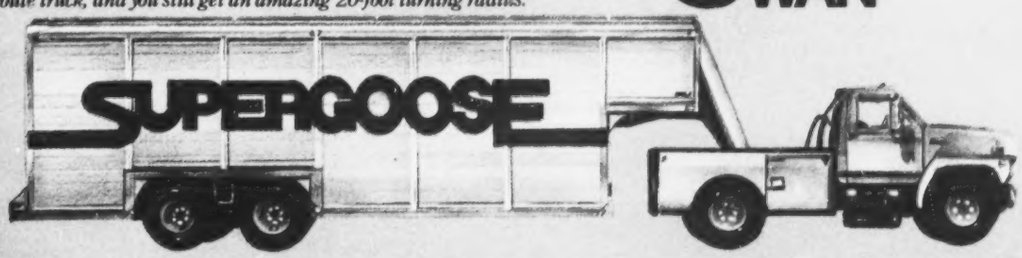

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SOFT DRINKS □ BEER □ BOTTLED WATER □ WINE □ POWDERS □ JUICES □ SPIRITS

DECEMBER 4, 1981

Beverage Industry

MARKETING □ DISTRIBUTION □ TECHNOLOGY

PUBLISHED EVERY OTHER FRIDAY

A-B sales to be strong through 1983: Doyle

NEW YORK, NY — Total beer brand sales at Anheuser-Busch, Inc. will reach 63.5 million barrels in 1983, more than 9 million barrels above this year, according to estimates from Joseph Doyle, CFA, in his latest report for Smith Barney, Harris Upham & Co., Inc.

Doyle expects Anheuser's 1981 sales volume to hit 54.4 million barrels, or 8.5% above 1980. He sees another similar sales volume increase in 1982, but volume should drop somewhat, and keep diminishing in 1983 and beyond.

Meanwhile, Anheuser's total capacity will rise significantly between now and

(Continued on page 14)

Brand	1975	1977	1978	1979	1980	1981E	1982E	1983E
Budweiser	26.5	26.0	27.6	30.9	34.5	38.4	—	—
Michelob (regular)	4.5	6.0	7.1	8.0	8.3	8.4	—	—
Busch	4.2	3.0	3.2	2.6	2.7	2.9	—	—
Natural Light	—	1.6	2.7	2.6	2.3	2.1	—	—
Michelob Light	—	—	1.0	1.9	2.3	2.6	—	—
Total Sales	35.2	36.6	41.6	46.2	50.2	54.4	59.0	63.5
—% change from year before	—	—	+13.7%	+11.1%	+ 8.5%	+ 8.5%	+ 8.5%	+ 7.6%
Total Capacity	36.0	42.0	44.5	47.5	53.0	55.8	61.2	67.5
Capacity Utilization	92.6%	87.1%	93.5%	97.3%	94.7%	97.5%	96.4%	94.1%

Notes to table:

- 1976 is not shown since it was a strike-affected year. All brand breakdowns are SBHU estimates.
- 20.0 million barrelage capacity increase by 1983 versus 1979 consists of 4.6 at Williamsburg in spring 1980, 6.3 at L.A. in 4Q 1981, 6.0 from Syracuse plant (purchased from Schlitz) in 4Q 1982, and 3.1 miscellaneous projects.

Sunkist is optimistic despite $5 mil. 1981 loss

NEW YORK, NY — Sunkist executives expect a solid "3 to 4% annual increase in unit volume" for all national brand-name soft drinks, especially diet brands. However, it will take "another three or four years before the Sunkist brands reach maturity and anyone can determine their full market share and profit potentials."

Speaking here recently before the New York Society of Security Analysts, Richard A. Smith, president and CEO of General Cinema Corp., said that the soft drink business in 1982 will continue to be affected by the national economy. Shrinking consumer disposable income will remain a major concern.

GCC's Beverage Division bottles Pepsi-Cola, Dr Pepper, Sunkist and 7UP. Its franchised territories are mainly in the Southeast and Midwest. In fiscal 1980, the division contributed over 50% of GCC's revenues and operating earnings.

Q and A

In response to questions, Smith, Robert Tarr, Jr., senior vp and president, GCC Beverages and Mark Stevens, vp and president, Sunkist Soft Drinks, said the company was discussing the possibility that the soft drink may be distributed overseas with Sunkist Growers, the firm which licensed GCC to develop the soft drink. Stevens said no decision has been reached, but "we may well do so."

Sunkist has no plans to start a "taste test" promotion, however the company is constantly involved in developmental work, such as a possible caffeine-free version of Sunkist.

Soft drink price discounts, Tarr said, vary from market

(Continued on page 13)

Beverage vendor sales drop by $20 mil. in '80

WASHINGTON, DC — Manufacturers shipments of coin operated vending machines totalled $328 million in 1980, according to report recently issued by the U.S. Department of Commerce, Bureau of the Census. This figure reflects a decrease of 8% from the 1979 total of $357 million.

Shipments of vending machines for beverages totaled $207 million in 1980, a decrease of 9% from the 1979 figure of $227 million. The total number of beverage vending machines shipped in 1980

(Continued on page 10)

SSDT papers now available

WASHINGTON, DC — Proceedings of the 28th Annual Meeting of the Society of Soft Drink Technologists held earlier this year at Colorado Springs, CO, are currently available for $25.

The proceedings include 18 presentations including: "Carbonated Dispensing Systems," "The Multi-Channel Abbe," "The Bottle Bill — Panacea or Plague," "Analysis of Carbonyl Sulfide and H_2S in CO_2," "Bottling/Canning Plant Survey: Efficiency Guidelines," "Some Uses of Waste Heat for CO_2 Vaporization," "Modular Layout Concept for Productivity and Profitability," "Quality Control Circles — The Key to Employee Performance Improvement," "Aspartame as a Sweetener in Carbonated Beverages," "Can Mobility," "Fluid Flow Analysis for Filling Valves," and "Alleviation of Environmental Problems of Waste Disposal."

Reprints can be ordered by writing to the SSDT, 1101 16St., N.W., Washington, DC.

Quantity and value of shipments of coin-operated vending machines	Number of establishments	1977 Quantity	1977 Value	1978 Quantity	1978 Value
Coin-operated vending machines	48	516,858	327,688	544,509	356,915
Vending machines for beverages	(X)	198,561	207,334	227,969	227,123
Hot beverage: coffee — instant, freeze-dried or liquid concentrate, chocolate, tea, soup[1,2]	7	7,125	9,632	'10,629	'13,255
Coffee: Fresh brew (single cup and batch)	5	10,811	16,973	10,546	15,663
Soft drink:					
Canned beverage (refrigerated) vending machines	7	94,814	97,545	'109,324	'102,956
Bottle vending machines[3]	5	66,683	51,251	69,527	50,698
Cup (premix and postmix)	6	8,415	21,417	12,144	30,573
Packaged milk and juice (indoor)	6	10,733	10,516	'15,589	'13,978
Other vending machines for beverages[4]	4				
Vending machines for confections and foods	(X)	113,611	79,149	'131,880	'90,253
All other vending machines	(X)	204,686	41,205	184,670	39,539

Hackney intros new line of refrigerated bodies

WILSON, NC — Hackney Brothers, located here, has developed a new line of refrigerated trailers and bodies specifically for the beer industry.

The new units, called "Beertenders", include refrigerated side-loading delivery trailers, conventional style delivery trailers, and conventional route delivery bodies for kegs.

According to Bob Hackney, vice president, the new units have "advanced construction and insulation techniques which feature the use of energy-saving, thermal efficient, pour-in-place polyurethane insulation."

Because of wear and tear on equipment used for keg beer delivery, Hackney explains, the Beertender trailers and bodies call for strong, reinforced construction and built up interior linings.

Side-loading Beertender trailers are available in two versions. One has 56 in. wide bays to accommodate slip-sheet loading operators. The second version has standard 40 in. bay widths to accommodate pallet loading distributors. Both versions are available in single and tandem axle configurations.

Wide-bay, trailers are available in 8, 10, 12, and 14-bay models. Standard-bay, side-loading units are available in 12, 14, 16 and 18-bay designs.

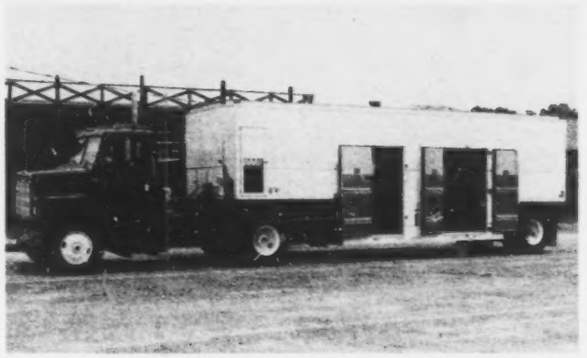
Two refrigeration options are available for side-loading trailers. Blower-evaporator refrigeration systems can be installed with one cold air vent and one return air vent with adjustable registers in each bay.

Eutectic holdover plate systems are also available with holdover plates installed vertically between bay side walls.

Side-loading Beertender trailers also feature strong, light weight insulated bay doors with heavy duty hardware and locks, and one-piece aluminum bay floor linings.

Conventional-style Beertender route delivery trailers can be specially designed for keg delivery and equipped with a variety of refrigeration systems, including blower-evaporator systems, straight holdover plate systems, and Hackney's own Vari-Temp refrigeration systems.

Available in single and tandem axle configurations, these highly maneuverable route trailers feature very strong framing, as well as oak and plywood reinforced interior linings, which makes them ideal for large scale keg delivery operations.



Custom-built Beertender keg delivery trailer with Vari-Temp refrigeration.

A variety of materials handling options can be custom-engineered to meet the specific needs of distributors. Time and work-saving optional equipment available includes track-and-bar load stabilizers, hand truck loading ramps, and lift gates in various sizes and capacities.

Refrigerated bodies are available in several body styles, in standard lengths from 10 to 22 feet, with a choice of steel or aluminum construction.

Like the trailers, all Beertender delivery bodies are insulated with poured-in-place polyurethane.

Refrigeration systems available for delivery bodies include blower-evaporator systems, straight holdover plate systems, and Hackney Brothers' Vari-Temp refrigeration.

A large selection of optional equipment is available to customize bodies for specific delivery needs. Options include: side or rear-mounted lift gates, empty keg storage racks overhead, hand truck storage, keg skids and side and rear doors, special wall and floor reinforcement, built-up interior linings, CO_2 storage racks and compartments, load bars, doors sized and located to customer specifications, and custom paint and graphics application.

NSDA

(Continued from page 1)

nutrition and flavor labeling regulations, NSDA recently recommended.

NSDA, which has commented on food labeling to FDA in the past, maintains that it still believes that "nutrition labeling of diet soft drinks is an exericse in futility. There has never been a showing that consumers expect nutrients in such products," the association held, "and informing them that none are present involves considerable expense with no off-setting benefits."

In addition, NSDA said that flavor labeling regulations in general, and their affect on soft drinks in particular, "tend to be, at best, difficult to interpret, expensive to implement and of relatively little value to consumers." Moreover, the new requirement for labeling of FD&C Yellow No. 5 should also be examined, the soft drink association added, since the rules affect the desires of a few and "can be counterproductive and confusing relative to other color additives and to consumers in general."

Vendors

(Continued from page 6)

was 198,561 versus the 1979 figure of 227,959.

The report breaks down beverage vending machines into the following categories: hot beverage (including instant, freeze-dried or liquid concentrate coffee, chocolate, tea and soup); coffee (fresh brewed by single cup and batch); soft drink (bottled, canned and cup), packaged milk and juice (indoors), and other vending machines for beverages (including milk in quart and half gallon containers, and packaged dry ingredients for mixing into beverages, etc.)

The report was prepared by the Industry Division, Bureau of the Census, under the direction of Malcom Bernhardt, chief, current durables branch, and Kenneth McBeth, chief, machinery, electronics and transportation section.

The cost of the survey was underwritten by the National Automatic Merchandising Assn.

• For more information, contact Evelyn A. Jordan at the U.S. Department of Commerce, (301) 763-5573.

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NEWSBREAK First look at NSDA '81 Expo

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labeling law

WASHINGTON, DC — Ingredient labeling for beer, wine, and distilled spirits or an address where consumers can obtain such information will no longer be required since the Bureau of Alcohol, Tabacco and Firearms rescinded the regulation, scheduled to become mandatory January 1, 1983.

Last May, ATF sought comments on its intention to kill the rule which took effect October, 1980. The actions were in accordance with the President's order to review existing and pending regulation to ensure that they were cost effective and beneficial to society. Based on the review, ATF concluded that the labeling rule did not meet the criteria.

During the comment pe-

(Continued on page 65)

New products '81

Distribution
Packaging
Machinery
Miscellaneous

Congress debates deposit bill

WASHINGTON, DC — Despite annual objections from the industry, Congress is at it again, trying to impose a mandatory 5 cent deposit on beer and soft drink containers, plus a 2 cent handling fee paid by distributors to retailers.

Once more, brewers, soft drink bottlers and can and glass manufacturers stepped forward during a hearing before the Senate Commerce Committee to voice their opposition to S. 709, the Beverage Container Reuse and Recycling Act, designed to curb the nation's litter and solid waste disposal problems, and encourage energy conservation.

They all maintained that

(Continued on page 66)

O-I has sole license for PP closure by H-C

CRAWFORDSVILLE, IN—H-C Industries, Inc., located here, has granted sole U.S. license for a polypropylene beverage closure for glass containers to Owens-Illinois, Inc.

Under terms of the agreement, H-C and Owens-Illinois will manufacture and market the closure, which is now undergoing test marketing at Blue Grass Coca-Cola Bottling Co., Lexington, KY.

H-C hopes that the tests will lead to final approval of the closure by major beverage companies. H-C is "constantly monitoring" the test at Blue Grass.

The PP closure is compression molded using technology developed by H-C. The closure has a PVC liner and a tamper indicating band.

Jack W. Weber, industry manager for beer, beverage, liquor and wine for the closure division of O-I, said his company expected to begin production of the new plastic beverage closure during the second quarter of 1982 in an O-I closure division plant to be determined.

James Smith, president of H-C, said the closure is suitable for use on glass containers, including PlastiShield single service glass containers. The design concept can also be adapted for use on plastic containers in the future. Smith added that the closure presents a good surface for printing, which can be done in various colors.

Weber said O-I is interested in the lined closure because "it can be applied to glass bottles more easily than aluminum closures on existing capping equipment with revised capping heads, since the closure is prethreaded to fit onto the finish of glass containers.

BI Week

• Both Massachusetts and Delaware have joined the ranks of states with forced deposits. In Massachusetts, the state legislature over ruled the governor's veto. In Delaware, the legislature rejected portions of an earlier law which stayed implimentation until neighboring states had passed similar legislation.

• Bag-in-box syrup systems are closer to reality as result of supplier innovations. At DFISA and at NSDA (see Newsbreak, p. 26) several suppliers reported solutions to what had been continuing problems. Scholle, Liqui-Box, B-Bar-B are leading developers. Pepsi-Cola reportedly will be first user. Expect the firm to offer it to major national accounts which have been seeking a nonreturnable alternative to tanks.

• Coca-Cola will sell its

(Continued on page 85)

OSDA seeks repeal of Ohio syrup excise tax

COLUMBUS, OH — The Ohio Soft Drink Assn. is trying to repeal a recently-enacted state excise tax on pre- and post-mix soft drinks.

Bottlers are being asked to compile detailed records of sales "as they relate to pre- and post-mix soft drinks," said a source at the association. The figures will be presented during public hearings of the state legislature, which could take place by next Spring here at the capital.

Since the excise tax took effect November 15, no one can yet predict if the records will show significant sales losses.

In the meantime, the Coca-Cola Co., Atlanta, reportedly filed suit to force repeal of the tax.

The Ohio excise tax on soft drinks is part of a $1.3 billion package representing the largest tax increase in the state's history. The new two-year, $13.5 billion budget also includes a sales tax increase of 1.1%. The old sales tax was 4%.

Post-mix soft drinks sold in the state at fast-food restaurants, stadiums and other fountain outlets are now being taxed at $2.75 per gallon. The new excise tax on pre-mix is 25 cents per gallon. Post-mix is sold in five-gallon containers and gallon jugs. Pre-mix is sold in five-gallon containers.

Accordingly, 12 oz. of soft drink will cost 4.3 cents more (post-mix) and 2.3 cents more (pre-mix). Since liquid-to-ice ratios differ at various fountain locations, it is hard to measure the exact price impact on Ohio consumers.

According to sources, the soft drink excise tax was rammed through the legislature at the last minute of a new-budget process that had been stalled for almost five months.

Contents

NSDA newsbreak report from L.A.

A comprehensive newsletter that reviews all the major events and products seen at this year's National Soft Drink Association meeting in Los Angeles. Starts on **page 26.**

New Products '81: annual sampling

Each year, we select some of the new products items that have appeared during the previous 12 months, and arrange them in this special section under appropriate major headings. These offer a convenient reference to items we feel may be of particular interest. Starts on **page 40.**

NAMA show sees record turnout

The National Automatic Merchandising Assoc. held its 35th Annual National Vending-Food-Service Industry Convention in Chicago and drew a record number of visitors and exhibits. For a detailed report on the vending and food service management industry, see **page 58.**

Designs and tests aid cylinder safety

Luxfer USA Ltd. has introduced a number of new product safety features and is conducting extensive tests on its aluminum carbon dioxide cylinders. An NSDA/Compressed Gas Assoc. pamphlet describes the safety risks of Co_2 cylinders. A full report on Luxfer's activities appears on **page 23.**

FDA surveys alcohol, caffeine

A recently-conducted Louis Harris survey, made for the Food and Drug Administration's Bureau of Foods, reveals that while consumers are generally aware that alcohol and caffeine could have negative effects on pregnancy, they remain uncertain about what the specific effects might be. For details, see **page 62.**

Specialty drinks avoid sales slump

The market for regular soft drinks in Japan is in the doldrums. However, the company's sporting population (those who represent a market for products like Gatorade) increased nearly 300% since the 70s. For a look at this market, see **page 19.**

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DECEMBER 18, 1981

Beverage Industry

MARKETING □ DISTRIBUTION □ TECHNOLOGY

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After merger fails: Schlitz will "sell beer"

MILWAUKEE, WI — The Jos. Schlitz Brewing Co., with a strong balance sheet but dropping sales, has decided, for now, to pursue the goal of selling more beer, in the wake of a failed attempt at a merger between itself and G. Heileman Brewing Co.

Schlitz says it will continue to operate as an independent publically-held company, even though it entered the merger negotiations in good faith. This two-pronged position is "not a matter of grim resignation," according to a Schlitz spokesman. It reflects the notion that the company is encouraged by its strong financial position and by a modest increase in unit sales recorded in the second quarter of 1981, versus the same period last year. The spokesman offered no specifics on how Schlitz planned to boost its sagging sales volume.

On October 21, Heileman's bid to acquire Schlitz col-

(Continued on page 10)

Market share trends(a)

(% of market)

	Schlitz			Anheuser-Busch			Miller		
	1980	1978	1975	1980	1978	1975	1980	1978	1975
Northeast	8.0%	14.6%	28.9%	33.1%	30.1%	25.7%	34.8%	31.2%	11.1%
South	5.2	17.6	25.0	37.8	33.7	36.7	28.9	29.0	12.7
East North Central	4.1	5.3	7.8	16.3	16.7	19.5	25.1	19.3	6.2
West North Central	8.1	10.8	18.1	23.9	22.3	28.9	17.8	16.0	8.3
West South Central	17.7	25.0	31.4	22.1	19.5	19.6	24.0	19.7	10.1
Mountain	6.8	9.8	9.6	31.2	28.6	22.7	14.7	11.1	4.6
Pacific	5.4	7.5	7.6	38.8	33.4	22.1	10.6	10.6	5.1
National	8.6	11.8	15.4	28.9	25.2	23.2	21.5	19.0	15.1

(a) Regional share totals are based on 37 states that report such data; the national figure includes all states.
Source: Smith Barney, Harris Upham & Co. Inc.

Copyright: Beverage Industry
December 18, 1981

Frostie debuts new look

Simplicity, with singular graphic emphasis and appropriate colors and letterforms are the key features of the bold, new look for Monarch Co.'s Frostie Root Beer.

Coy signs Pickett's for its Private Reserve

HARAHAN, LA — Coy International has added a second regional brewery by signing Pickett's of Dubuque, IA, in the continuation of the innovative concept of producing a beer without owning a brewery in order to separate the manufacturing and marketing processes.

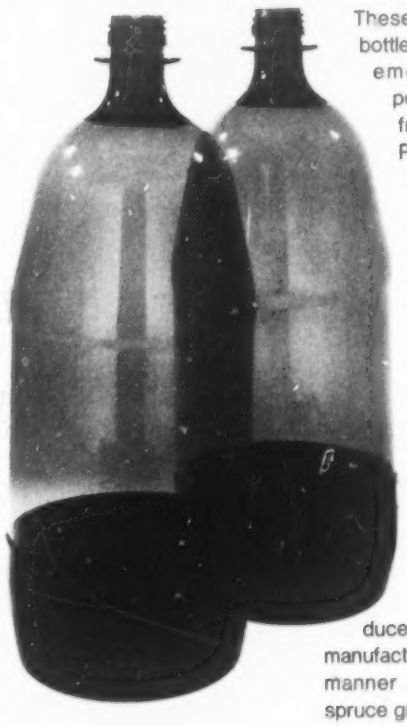
Coy hopes to utilize the excess capacity of the Pickett Brewery to allow their Midwestern wholesalers easy access to their product. Coy International and its satellite breweries reap other advantages as a direct result of their association. Breweries taking on Coy are able to expand their own product line within the Coy wholesaler network. To distributors, regional breweries represent a substantial cost savings in freight.

Neal W. Kaye, Jr., president of Coy International, said of his product's success and unique marketing approach, "Private Reserve's taste positions the brand between the blandness of premium domestic brands and the heavier taste of European brands. And secondly, I don't own or want to own a brewery. Coy is utilizing the excess capacity of the nation's small brewers. Coy provides the formula, packaging and marketing expertise while the brewers utilize their idle capacity. It's a marriage made in heaven."

Kaye is selecting brewer-

(Continued on page 8)

Eastman introduces emerald green PET



These carbonated beverage bottles were made with bright emerald green-colored polyester (PET) polymers from Eastman Chemical Products, Inc. Kodapak PET 9899, 9900 and 9930 are offered in three different intrinsic viscosities to satisfy individual customer requirements. The polymers are the result of a three-year research and development program at Eastman to meet the need for a colored PET that closely matches the green color used by the beverage industry. A company spokesperson indicated that these polymers can be produced in volume in Eastman's manufacturing facilities in the same manner as their predecessors, spruce green and emerald green.

Portuguese Govt. Trade Office pushing wines

NEW YORK — An increase in consumer awareness and sales of Portuguese red and white table wines will be the goal of a 1982 national campaign funded by the Portuguese Government Trade Office here.

The subject of the campaign will be the table wines from the country's 10 demarcated and 18 controlled districts, which now account for approximately 7% of U.S. imports.

The public relations firm conducting the campaign, Harsha-Rotman and Druck, Inc., New York, will focus on reaching the public through editorial pages of leading food, general interest and "life style" magazines as well as the broadcast media.

According to Jose Antas, product manager for the PGTO, "We want to respond

(Continued on page 10)

Winter retires as Seven-Up board chairman

ST. LOUIS, MO — The chairman of the board of The Seven-Up Co., William E. Winter, has announced his

Winter

retirement effective December 31 1981. He will continue his relationship with Seven-Up by serving as a consultant.

(Continued on page 9)

BTA study charts growth of US beer market

COMMACK, NY — "The American Beer Market: A Detailed Marketing Analysis of the Fast Changing Malt Industry" is a new 210-page report published here by Business Trend Analysts, Inc.

The report concludes that imported beer brands will continue to penetrate the U.S. market, reaching as much as a 6% share by 1990. Per capita consumption of U.S.-made brews is currently about 25 gallons per year, reflecting an average 3% annual rate of increase.

Last year, the report says, Americans consumed an estimated 178 million barrels, or 5.5 million gallons of malt beverages. The value of domestically produced beer sales, measured at the brewery level, totalled $9.6 billion in 1980; the value of imported beer was about $427 million.

Sales volume for imports was 4.6 million barrels in 1980, or 2.6% of the U.S. market.

Information about the report, which costs $450 a copy, is available by writing Dennis Macchio, Reports and Publications Dept., BTA, 2171 Jericho Turnpike, Commack, NY, 11725.

Schlitz

(Continued from page 6)

lapsed under pressure from the Justice Department. The Department indicated it would oppose the merger because it violated section 7 of the Clayton Act. If the merger talks continued, Justice said it would file a civil antitrust suit to stop it.

The following day, Heileman's board decided to drop negotiations. Schlitz, in turn, cancelled a meeting scheduled for Nov. 13, when shareholders were to vote on the $494 million deal.

Had the merger gone through, Schlitz-Heileman would have been the nation's third largest brewer, with 16% of the market.

Russell Cleary, Heileman's president, said the decision could only benefit the nation's top two brewers, Anheuser-Busch and Miller, which, Cleary predicted, would increase their market shares at the expense of other brewers.

Meanwhile, Heileman has announced that its 1981 third quarter sales topped $267 million, 11% above the same period last year. Earnings in the third quarter of 1981 hit a record $12.7 million, 14% higher than the same period in 1980. Cleary said he was pleased with this performance considering the increasingly intense competition among brewers.

According to securities analysts interviewed by **BI**, there are attractive alternatives to the merger breakdown for both Schlitz and Heileman.

Robert Weinberg of R. S. Weinberg & Associates, St. Louis, said that "there is clear statistical evidence that Schlitz's decline is less than generally perceived." He said that between 1976 and 1980, the company's barrel sales volume dropped 12% to 12.5% per year. But, this year, barrel volume is off only 5% or so.

Schlitz's problem is that they're selling under capacity, Weinberg said. But, he added, "Schlitz has the resources to affect a turnaround." The company has $250 million cash on hand. If they want to boost sales in the Northern tier, where they no longer have a brewery, they can simply buy one. To raise more cash for that purchase, Schlitz could sell one of its breweries in the South.

buy brewery

Weinberg and other analysts contacted by **BI** thought this scenario could well take place, assuming that Schlitz's main efforts were now geared to expanding market share. In fact, Weinberg suggested, Heileman might want to buy a Schlitz brewery, since Heileman needs more capacity to maintain its own growth. Heileman's total market share is close to 8%, the same as Schlitz's.

Also, Weinberg said, if Schlitz is able to demonstrate a sales turnaround, they could again become a prime candidate for acquisition by, for instance, Liggett-Meyers.

"At worst, Schlitz is no worse off now than it was early this year," Weinberg said.

Joseph Doyle, at Smith Barney, Harris Upham & Co., which provided the accompanying statistics on Schlitz, called Schlitz "too-risky as a turnaround candidate, but a good candidate for take-over."

Doyle also mentioned $250 million as Schlitz's cash on hand figure; divided into 29 million shares, works out to $9 per share, a strong cash position, according to Doyle.

Doyle also agreed with Weinberg about the possibility of Heileman buying a Schlitz brewery. To expand market share, Doyle said, Heileman needs more Southern tier capacity. The company could buy Schlitz's brewery in Memphis or Long View, TX, or it could buy a Southern brewery from Pabst or Lone Star.

Schlitz has breweries in Winston-Salem, NC, Memphis, TN, Tampa, FL, Long View, TX and Los Angeles, CA. The company's total capacity is 18.8 million barrels, not counting the Milwaukee brewery, which Schlitz has

(Continued on page 13)

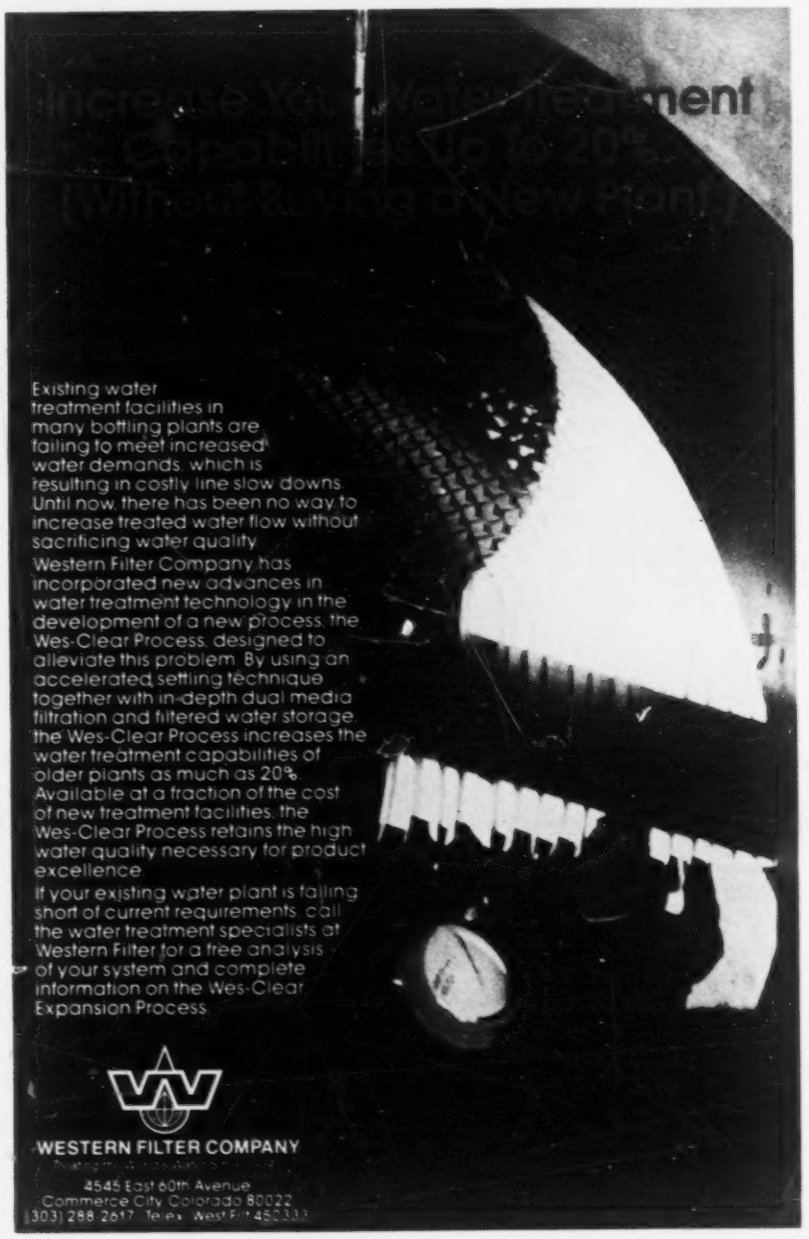
Wines

(Continued from page 6)

to consumers' desire for economical high quality table wines that add prestige and a sense of discovery to their wine purchasing. With the increased variety of Portuguese wines available in the U.S. and the continuing involvement of retailers, we think we have what it takes to make that appeal."

The program will also include, according to Antas, "production of a variety of promotional materials for retailers designed to attract and educate consumers to Portugal's table wine variety. Wine tastings in major markets will also be conducted to build our exposure among influentials. It's important that all this will be conducted against the background of a wide-ranging national publicity campaign."

In addition to building awareness of wines from the Dao and Vinho Verde regions, the program will highlight less well-known demarcations such as Colares, Bairrada, Douro and major prospective demarcated areas such as Ribatejo and Alentejo. Label terminology, particularly imported to connoisseurs, such as Garrafeira and Reserva will be publicized to add depth to consumer understanding.


Existing water treatment facilities in many bottling plants are failing to meet increased water demands, which is resulting in costly line slow downs. Until now, there has been no way to increase treated water flow without sacrificing water quality.
Western Filter Company has incorporated new advances in water treatment technology in the development of a new process, the Wes-Clear Process, designed to alleviate this problem. By using an accelerated settling technique together with in-depth dual media filtration and filtered water storage, the Wes-Clear Process increases the water treatment capabilities of older plants as much as 20%. Available at a fraction of the cost of new treatment facilities, the Wes-Clear Process retains the high water quality necessary for product excellence.
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Sales and income, 1981 projection vs. 1980, 1977, and 1976

(millions)

	1981(E)	1980	1977	1976
Barrels of Beer	14.75	14.95	22.13	24.16
Net Sales-$	955.0	986.5	937.4	1,000.0
% Cost of Goods Sold	80.5	80.4	77.5	75.6
% SG&A	8.5	8.7	10.1	8.8
% Advertising	7.5	7.5	5.9	4.4
% Operating Income	3.5	3.4	5.6	11.3
Operating Income-$	33.5	30.1	60.9	112.6
Total Non-Operating Income-$	12.0	15.8	(25.8)	(15.9)
Interest Income-$	22.0	21.8	1.9	1.8
Interest Expense-$	(11.0)	(11.5)	(16.7)	(18.2)
Gain on Debenture Repurchases-$	1	4.2	0	0
Other Misc.-$	0	1.3	(11.0)	(0.5)
Pretax Income-$	45.5	45.9	35.0	96.7
% Margin	4.8	5.1	3.7	9.7
% Tax Rate	43	41.2	43.6	48.4
Net Income-$	26.0	27.0	19.8	49.4
EPS	$ 0.90	$ 0.93	$ 0.68	$ 1.72

(E) — estimated by Smith Barney, Harris Upham & Co., Inc.

Copyright: Beverage Industry
June 12, 1981

Schlitz

(Continued from page 10)

announced it will permanently close.

Doyle estimates that Schlitz will sell about 14.75 million barrels of beer this year. While that would represent another drop from the year before, Doyle said that the difference between Schlitz's projected sales and its capacity is not that significant; no cause for great concern.

According to Doyle, "It is humanly impossible to predict a Schlitz sales turnaround, but the company shows signs of stabilization and has a good strong balance sheet."

Some have suggested that Schlitz's sales are stabilizing because they're selling mainly to their hard-core flagship brand drinkers. On the other hand, the company's malt liquor, Old Milwaukee and Erlanger brands have shown volume increases since 1975, but these increases have not offset an overall volume decline. Volume for the company's flagship brand has fallen by 11.5 million barrels between 1975 and 1980.

Doyle said that if another company is interested in acquiring Schlitz, they will likely show themselves sooner rather than later. He said there is no reason for a suitor to wait around for a Schlitz sales turnaround.

Estimated Schlitz volume by brand

(millions of 31-gallon barrels)

Brand	1980	1979	1978	1975
Schlitz	7.5	10.1	12.8	18.8
Schlitz Light	0.4	0.5	1.0	0.2
Schlitz Malt Liquor	2.4	2.2	2.0	1.4
Old Milwaukee*	4.3	3.9	3.7	3.6
Erlanger** (or other)	0.4	0.1	0.1	0.2
Total	15.0	16.8	19.6	23.3

*Includes some *Old Milwaukee Light*, which was starting to be introduced in 1980.
**Erlanger became nationally available in the second quarter of 1980.

Copyright: Beverage Industry
June 12, 1981

Doyle said it is unlikely that Liggett-Meyers would go after Schlitz, at least not right away, since Liggett-Meyers recently spent $500 million for Intercontinental Hotels (from Pan American).

Rather, Doyle suggested that a new suitor for Schlitz could be another brewery company. He speculated that the main reason by the Justice Department rejected the Heileman-Schlitz union was because the resulting company would control "too much" of the beer market in one fell swoop.

William Baxter, assistant attorney general, said that the Justice Department's decision was based on a desire not to see any further combinations among the nation's top seven brewers, thereby allowing a more competitive marketplace that would give smaller brewers a fairer chance to participate. (The Schlitz-Heileman proposed merger, by the way, was the first to be opposed by the Reagan Administration.)

Rumors are floating around in the investment community that The Stroh Brewery Company, Detroit, is interested in acquiring Schlitz. Doyle suggested that the Justice Department could go along with a Schlitz-Stroh merger, since the two companies' combined market share adds up to less than 15% of the total national beer market (Schlitz's 8% plus Stroh's 5.5%). "The Federal Government seems to recoil at a merger that results in a 15% market share," Doyle said.

After Stroh acquired the F. & M. Schaefer Brewing Co. earlier this year, Peter Stroh, president, said that his company would continue to look for opportunities to continue expansion. However, a spokesman said that Stroh is not negotiating, nor even considering, buying Schlitz.

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☐ APPLE (2 oz.) Red or Golden Delicious. Color is included. The taste *is* delicious.

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☐ GRAPE (Vin-Vie) (1.75 oz.) A full flavored grape; one of the industry's largest sellers.

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☐ GINGER ALE (2 oz.) Mild, lots of citrus or strong and gingery; please specify which. All ginger ales especially filtered for clarity and non-foaming bottling.

☐ HALF & HALF (1-16) A great mixer. Fruity lemon-grapefruit with a good stable cloud. Add acid.

☐ LEMON, Terpeneless (1 oz.) A clear lemon with a crisp, clean flavor. Only the finest citrus oils are used.

☐ ORANGE (2 oz.) A good ringless emulsion with an *orange* flavor. We'll match your color if you wish.

☐ ORANGE (1-16) Juicy orange flavor with acid and color. A sales builder!

☐ QUININE Flavor "S" type (4 oz.) Only good quinine flavors have it . . . lots of quinine! This product will help yours sell.

☐ ROOT BEER (2 oz.) With color, smooth, mild and creamy; economical, too.

☐ SOUTH SEAS PUNCH (8 oz.) A red fruity, juicy punch and a long time favorite.

☐ SOUTH SEAS PUNCH (2 oz.) A rich red-colored emulsion; good taste.

☐ TRUE FRUIT FLAVORS: Cherry, Grape, Pineapple, Raspberry and Strawberry, with or without color . . . great for table syrups or a better carbonated beverage. Contain natural fruit extracts with other natural flavors only, color included if you wish. Please specify which.

☐ ARTIFICIAL FRUIT FLAVORS: Cherry, Grape, Pineapple, Raspberry, Strawberry . . . an array of almost every flavor found in beverages . . . and many others that usually are not. Details on request.

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Beverage Business Indicators

Glass container shipments

(thousands of gross)
(not seasonally adjusted)

	July '81	August '81	% change
Bottles	29,490	26,877	(8.7)
Beverage: refillable	359	308	(14.2)
nonrefillable	6,742	5,625	(16.6)
under 10 oz	—	—	—
10.0 to 15.9 oz	2,067	1,775	(14.1)
16.0 to 16.9 oz (includes .5-L)	3,562	3,034	(14.8)
17.0 to 33.9 oz (includes 1-L)	656	376	(42.7)
34.0 oz and over (includes 2-L)	—	—	—
Beer: refillable	84	45	(46.4)
nonrefillable	11,352	9,534	(16.0)
under 11 oz	2,095	1,819	(13.2)
11.0 to 15.9 oz	8,650	7,190	(16.9)
16.0 and over	606	525	(13.4)
Liquor:	1,159	1,042	(10.1)
Under 125 ml (4.23 oz and under)	92	70	(23.9)
126 to 275 ml (4.24 to 9.3 oz)	267	235	(12.0)
276 to 500 ml (9.31 to 16.9 oz)	143	121	(15.4)
501 to 800 ml (16.91 to 27.04 oz)	270	289	7.0
801 to 1000 ml (27.05 to 33.80 oz)	241	193	(19.9)
1001 ml and over	146	134	(8.2)
Wine:	636	678	6.6
126 to 500 ml (4.24 to 16.9 oz)	73	98	34.2
501 to 800 ml (16.91 to 27.04 oz)	349	340	(2.6)
801 to 1000 ml (27.05 to 33.8 oz)	88	105	19.3
1001 to 1600 ml (33.81 to 54.08 oz)	96	96	—
Over 1600 ml (over 54.08 oz)	29	39	(34.5)

Source: U.S. Dept. of Commerce
Bureau of the Census

Closures for beverages

	July '81	August '81	% change
Metal (for spirits, wines)	50,262	50,049	(.4)
Plastic (for spirits, wines)	72,961	101,212	38.7
Metal crowns (beer and soft drinks)			
Soft drink (convenience types)	2,393	1,750	(26.9)
Soft drink (conventional types)	6,791	7,251	6.8
Beer (convenience types)	12,112	9,761	(19.4)
Beer (conventional types)	2,867	2,661	(7.2)
All other metal closures other than crowns	7,830	7,175	(8.4)

Source: U.S. Dept. of Commerce
Bureau of the Census

Imported beverages

(Proof gals)

	August '81	Sept. '81	% change
Beer*	16,711,545	14,473,373	(13.4)
Whiskey	5,811,121	9,341,449	60.8
Brandy	418,677	491,994	17.5
Gin	401,338	495,479	23.5
Rum	80,381	89,279	11.1
Cordials and liqueurs	683,708	652,243	(4.6)
Others	849,925	775,783	(8.7)
Total	**28,038,122**	**26,329,606**	**(6.1)**
Sparkling wines	520,138	525,805	1.1
Still wines, table	8,726,041	7,621,584	(12.7)
Still wines, fortified	169,824	210,678	24.1
Vermouth	225,049	240,590	6.9

*Includes ale, stout, porter
Source: National Association of Beverage Importers, Inc.

Selected Consumer Price Index

(The year 1967 equals 100)

	July '81	August '81	% change
Cola	290.8	296.6	2.0
Other carbonated soft drinks	138.3	138.9	.4
Noncarbonated drinks	134.0	135.0	.7
Wine	236.9	235.5	(.6)
Beer and ale	202.4	203.2	.4

Sweetener data

(Cents per pound, dry basis)

	July '81	August '81	% change
HFCS wholesale prices			
California	21.29	20.75	(2.5)
New York	22.54	21.73	(3.6)
Chicago-West	22.18	21.56	(2.8)
Beet sugar wholesale prices	28.02	—	—
Dextrose wholesale prices			
California	31.52	30.01	(4.8)
New York	30.05	28.54	(5.0)
Chicago-West	30.05	28.54	(5.0)

Source: U.S. Dept. of Agriculture

Domestic beer removals

(Barrels of 31 gals)

	July '81	August '81	% change
Bottles and cans	15,118,684	14,209,501	(6.0)
Barrels and kegs	2,252,020	2,011,303	(10.7)
For export	214,773	172,903	(19.5)
Other	11,792	18,415	56.2
Total	**17,597,269**	**17,717,143**	**.7**

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Domestic wine removals

(Wine gals)

	May '81	June '81	% change
Still wines (bulk)	120,616	89,414	(25.9)
Still wines (bottled)	28,911,216	31,112,696	(7.6)
Effervescent wines (bulk & bottled)	1,982,648	2,419,011	22.0
Total	**31,014,480**	**33,621,121**	**(8.4)**

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Domestic spirits removals

(Wine gals)

	May '81	June '81	% change
Whiskey	11,950,062	14,551,633	21.8
Brandy	1,059,878	1,311,238	23.7
Rum	1,273,355	1,580,183	24.1
Gin	2,965,843	3,702,840	24.9
Vodka	8,367,591	8,932,890	6.8
Cordials and liqueurs	2,093,100	2,830,797	35.2
Cocktails and mixed drinks	483,427	775,337	60.9
Total	**28,193,256**	**33,684,918**	**19.5**

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Blow-molded plastic bottle production

(thousands of units)

	June '81	July '81	% change
Plastic bottles (blow-molded)	1,316,010	1,291,595	(1.9)
Carbonated beverages*	222,676	226,544	1.7

*plans are being made to sub-divide this category into .5-, 1- and 2-L sizes

Source: U.S. Department of Commerce
Bureau of the Census

Copyright: Beverage Industry
December 18, 1981

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Sherwin-Williams' finish accords OSHA ruling

CHICAGO, IL — Large fleet refinish operations and original equipment manufacturers' production lines have attracted the dogged nature of OSHA in enforcing compliance with that agencies' regulations regarding lead which usually translates into costly measures of medical surveillance to protect the health of those exposed.

With stiff penalties resulting in non-compliance, Sherwin-Williams has provided an alternative to the time-consuming and expensive procedures needed for compliance with the lead standard. Extensive record keeping and facilities supplied with filtered air for lead can be eliminated with the firm's Sunfire 421 acrylic urethane enamel finishing system.

Comparative life cycle costs

Assume shop overhead and labor is $160.00/day; revenue loss is $100.00/day; refinishing takes two days

	Synthetic enamel	Acrylic enamel	Polyurethane enamel	Sunfire
Material Cost	$ 88.75	$ 82.78	$ 190.08	$145.45
Overhead/Labor	$ 320.00	$ 320.00	$ 320.00	$320.00
Revenue Loss	$ 200.00	$ 200.00	$ 200.00	$200.00
Total	$ 608.75	$ 602.78	$ 710.08	$665.45
Refinish Cycles	6 times	3.5 times	1.5 times	1 time
Total Life Cycle Cost	$3,652.50	$2,109.73	$1,065.12	$665.45

Source: Sherwin-Williams

Copyright: Beverage Industry, December 18, 1981

Laser is mounted on test fixture suspended from trailer axle.

Trucks

(Continued from page 74)

Surprisingly, this new system is actually less expensive. Lasers are now an accepted tool in modern industry so their cost is moderate. But Myers attributes the real cost reduction to the simplified alignment fixtures developed at Hackney. "We could have gone out and bought one of the new commercial laser systems now appearing on the market," he pointed out. "That would have been an improvement, but we would still be stuck with unnecessary complication.

"We were determined to maximize the laser's advantages by building our own system around it, using simpler fixtures designed specifically for our application."

The end result is a superior axle alignment system which is faster, more economical, more reliable, easier to operate, and far more accurate. With it, Hackney & Sons can more easily maintain its tight axle alignment tolerance which results in reduced trailer tire wear and prevents premature tire replacement.

Another example of the firm's efforts to improve quality control is its standard use of 5052 aluminum alloy sheet for all its truck and trailer bodies, the same alloy commonly used in tactical aircraft and missiles. Though more expensive than the 3000-series aluminum used in many other truck bodies, it is lighter and has almost twice the yield strength, resulting in greater payload for a given vehicle gross weight.

For more information on **Hackney's bodies and trailers,** circle no. 503 on reader service card.

Sherwin-Williams' lead-free acrylic urethane enamel not only can save employers the inconvenience of attempting to comply with the numerous and detailed precautions against lead, but provides a high gloss and durable finish. All thinners, reducers, hardeners and additives used with the enamel are also lead-free. No hazard from exposure to lead is encountered from the initial priming stages to the finished product.

The company reports that the acrylic resin used in this system of finishes is far superior to the polyester resin used in many other paints. The high pigmentation, high solids and unique application properties of Sunfire 421 can ensure more color and more gloss in the initial application. Company tests have shown that the gloss is retained nearly twice as long as ordinary polyurethane enamels. The dulling effects of the sun, heat, salt water, sleet, high-alkaline soaps or detergents and even battery acid reportedly cannot harm the Sunfire finish.

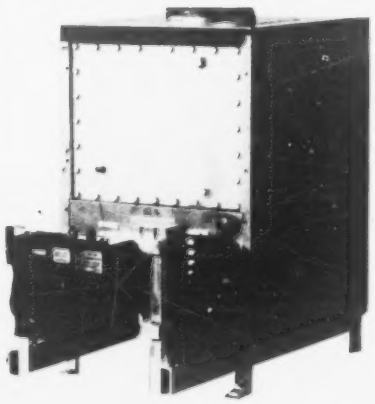
drying

With no need for special handling nor special application equipment, the finish may be air-dried, force-dried at low temperatures or baked at high temperatures. No matter which method is utilized, the company takes pride in the system's resistance to road hazards, including stone chipping, oils, smoke, acid rain and chemical contamination.

Many of the nation's largest operators and body builders have already made the switch to the lead-free finish (the Coca-Cola Company has specified Sunfire to its bottlers and operators). The country's largest beverage body builder, Hackney & Sons in Washington, N.C., has also made the switch.

Hodges Hackney, vice president of sales for Hackney & Sons, said, "We were extremely pleased to discover that the high quality of Sherwin-Williams paint was retained when the lead was taken out. It is now possible for us to meet all OSHA requirements with the development of lead-free acrylic urethane enamel. Without sacrificing quality, it has

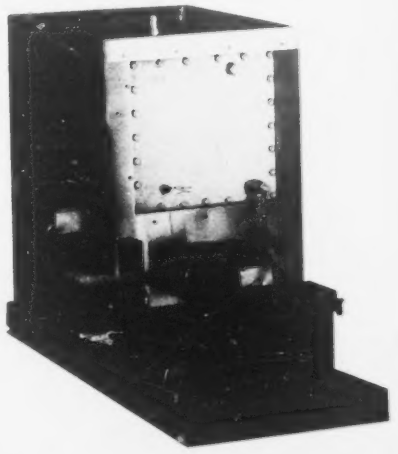
(Continued on page 76B)



GC EVANS

Gas-Fired Heating Unit

Combination Gas/Oil Heating Unit



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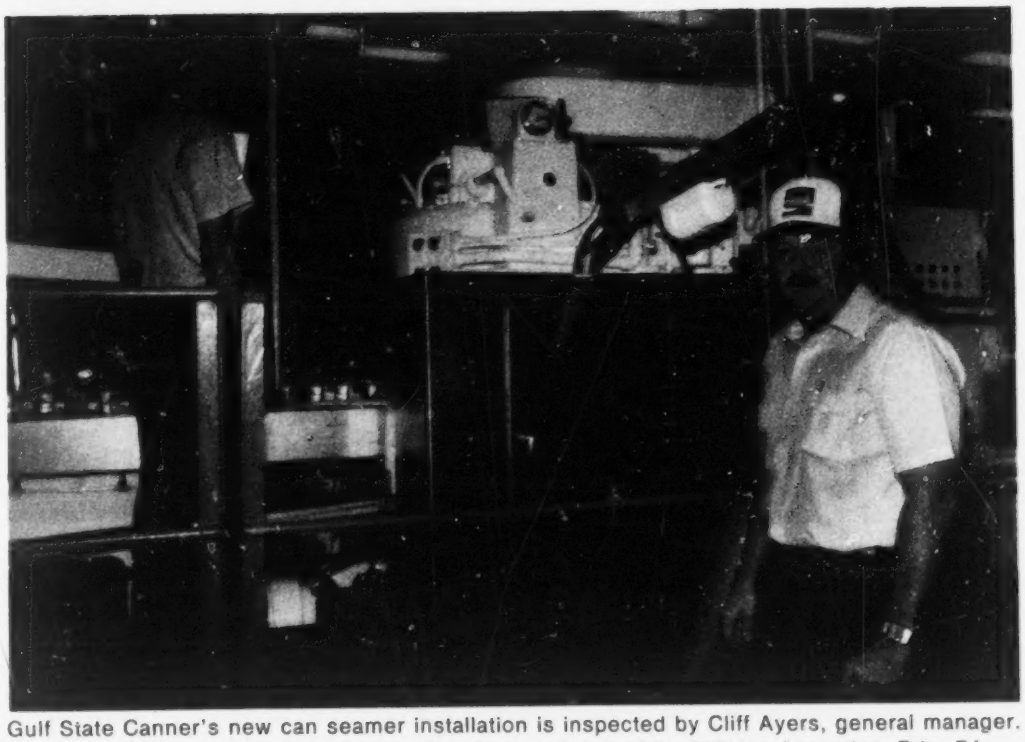
Canner meets noise regs. with Allforce enclosures



Gulf State Canner's new can seamer installation is inspected by Cliff Ayers, general manager. The noise and vibration abatement system is manufactured by Allforce Acoustics, Erie, PA.

CLINTON, MS — On January 6, 1976, Gulf States Canners, Inc., here, received a surprise visitor — a federal OSHA inspector. After touring the facilities of this cooperative, which produces more than 10 million cases of canned soft drinks each year, he issued a citation for noise levels that exceeded general industry standards.

This verdict was not a surprise. Gulf States had been searching for some time for a satisfactory solution to the two major noise sources in their canning plant, can seamers and fillers. The noise problem was compounded by the high speeds of the two lines, required to meet production goals — 1081 cpm on line 1, 1215 cpm on line 2.

Nor was the verdict unusual for the industry. Bottling and canning plants across the country have been hit by noise control ultimatums recently. And many companies, like Gulf States Canners, have had difficulty finding products that still comply with strict sanitation requirements imposed on the food and beverage industry.

According to Gulf States' general manager Cliff Ayers, the problem begins with the manufacturers of fillers, seamers, and other processing equipment. "They've never taken noise into account when building equipment," he commented. "Therefore, no ready-made solutions exist."

Meeting noise regulations is also a bit tougher for food and beverage industries. "Food processors are limited to utilizing materials that will meet sanitary codes," explained A. de Jean King Sr., OSHA director for the Jackson, MS area. And according to Allforce Acoustics, a noise control equipment manufacturer in Erie, PA, many noise control materials are fibrous or otherwise unsuited for food and beverage use.

This paradox was another factor in Gulf States' decision to consult Allforce. "We felt more confident," said Ayers, "with a company that specializes in customized solutions to noise problems that exist in sanitary environments."

seamer enclosures

Allforce solved the cooperative's immediate OSHA problem with two Soundscreen® Can Seamer Enclosures. The units are made entirely of FDA-accepted materials and attach directly to the seamer. Inside the 16 gauge stainless steel faceplate are 2 in. thick acoustical baffles that soak up reverberent noise. These baffles are completely encapsulated for moisture protection and easy cleaning. The entire unit, which features a hinged front door for access to the working area, can be easily removed for line maintenance.

After taking base line sound level readings, Allforce installed the two seamer enclosures in one day. Noise at these operator positions was reduced by 8 to 9 decibels. And on March 7, 1979, the OSHA case against Gulf States Canners was closed. According to de Jean King, "it was determined that the employer (Gulf States) had complied with the citation."

Noise control was not the only benefit afforded by the enclosures, however. According to Ayers, they improved sanitary conditions by containing product spillage during seaming operations.

reduced premiums

Ayers anticipates another major benefit to be realized soon. "We have an insurance review coming up," he noted, "and we expect that our efforts to reduce noise and improve overall conditions will earn reduced premiums for the company."

Reducing costs is a very important consideration, he added. "Cooperatives have to be cost efficient. That's why we can't spend money on unnecessary equipment. The investment in the can seamer enclosures has paid off in many ways. And besides, you simply have to have them in order to meet federal regulations."

Allforce is now designing Soundscreen Filler Shields to quiet the company's remaining noise source. "When these are installed, we should have a much safer, cleaner, and quieter plant," observed Ayers. "And that should make OSHA, and even more important, our employees, very happy."

• For more information on **Allforce Acoustics** products, circle no. 591 on reader service card.

S-W finish

(Continued from page 76A)

made our life simpler and safer."

While the cost of lead-free paint is higher than synthetic (alkyd) enamel and acrylic enamel containing lead, the company feels the life cycle cost of Sunfire provides significantly lower costs over the long-term.

When compared to a synthetic (alkyd) finish, the material costs for Sunfire are approximately 35-40% higher. However the company points to the fact that the downtime needed for Sunfire is a half to a full day less and the durability is six times longer. When compared to acrylic enamel finish, Sunfire material costs are 39-45% higher, yet will last three-and-a-half times longer. Polyurethane enamel costs 20-27% more than Sunfire and in this case lasts at least 50% longer than nonmetallic colors and twice as long as metallic colors.

In comparing each finish by price per gallon ready-to-spray, Sunfire seems to be the best buy. In total color ready-to-spray, only 3.14 gallons of Sunfire are necessary by comparison to 4.75 gallons of synthetic (alkyd) enamel, 4.27 gallons of acrylic enamel and 2.92 gallons of polyurethane enamel. When considering the costs for shop overhead and labor in the refinishing process, the loss in revenue incurred during downtime and the life of the finish, the cost picture changes dramatically.

When considering all the factors, a lead-free solution may prove the safest and simpiest answer to avoid the specifications set down by OSHA. Now that lead-free paint is available which is easy to apply, offering durability and high gloss retention, there is no reason to take the risk of harming the health of an individual or absorbing the costly programs necessary to comply with OSHA regulations.

• For more information on Sherwin-Williams, circle no. 501 on reader service card.

Comparative ready-to-spray costs

Assume the vehicle requires four gallons of synthetic enamel regular color and ¾ gallons of Suffix "X" color. Both quantities ready-to-spray.

	Synthetic (Alkyd) Enamel		Acrylic Enamel		Polyurethane Enamel		Sunfire	
Color	4 gal. reg.	= $71.16	3.6 gal. reg.	= $67.57	3.30 gal. reg.	= $153.95	2.64 gal. reg.	= $117.61
	.75 gal. "X" Suffix	= $17.59	.675 gal. "X"	= $15.21	.62 gal. "UM"	= $ 36.13	.50 gal. "X"	= $ 27.84
Total Color Ready-to-Spray	**4.75 gal.**	**$88.75**	**4.275 gal.**	**$82.78**	**3.92 gal.**	**$190.08**	**3.14 gal.**	**$145.45**

Source: Sherwin-Williams

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